



Local Welfare Provision in 2015/16

Submission by Leeds City Council

Introduction

Local welfare provision was funded in 2013/14 and 2014/15 from the savings made by Government from abolishing the community care grant and crisis loan for living expenses elements of the discretionary social fund. These funds had been in place for over 20 years and had been used to support vulnerable people to maintain themselves in the community, support families in exceptional hardship and provide interest free loans to families in a crisis or a state of emergency.

The rationale for providing funding to councils to deliver local welfare provision was to recognise that councils were well placed to identify need and were better able to link this emergency support to other locally available services. The Government made clear in its communications with councils that it expected councils to use the funding to establish local welfare schemes. The fact that this was a new demand on councils was also reflected in the provision of new burdens funding to councils. Leeds City Council embraced this change and during 2013/14 used the funding to develop and deliver a comprehensive local welfare support scheme that provided direct support to people in need and also helped developed alternative solutions that would provide additional resilience for people in need.

Leeds City Council has fully utilised its allocation of the funding and has provided details for the spend for 2013/14 and 2014/15 in its response to the DWP's LA Local Welfare Provision Questionnaire: 2014/15.

The cash-based scheme provided by Jobcentre Plus carried the potential for abuse and Leeds, and other councils, have brought additional rigour to the schemes so that local schemes are more secure, directly meet a resident's stated need and deliver better value for money than the previous schemes under the social fund. The loss of funding for ongoing schemes presents a significant risk to the council's ability to continue to support vulnerable residents in crisis. It also means that valuable work that has started to establish greater community resilience - through the development of the local Credit Union, a growing Food Aid Network and support for Furniture Re-use along with specific advice to tackle debt – will be significantly curtailed or stopped entirely.

Successive Governments have seen the need for, and funded, a community care and crisis scheme for more than 20 years. We agree that local councils are well placed to deliver local schemes but strongly believe that Government should continue to provide additional funding for the schemes.

2015/16 Funding options and Impact on protected groups

Option 1 – Funding from existing local government budgets

We do not support this option. This option sees no additional funding for local welfare provision and places the full cost of any scheme on local government at a time when councils are facing significant cuts in Government funding. The LGA has made it clear that local authorities will struggle to maintain a local welfare provision if it is no longer funded by central government. Leeds would struggle to provide the funds for a local welfare scheme and any funds that were made available would result in reductions in funding for other key service areas.

Option 2 – Separate visibility of local welfare provision funding

- **Option 2 (a) in line with the Settlement Funding Assessment for 2015-16 proposed in the summer technical consultation.**
- **Option 2 (b) in line with the allocation of local welfare provision in 2014-15**

We do not support either Option 2 (a) or 2 (b). Neither of these options sees any additional funding for local welfare provision and both options place the full cost of any scheme on local government at a time when councils are facing significant cuts in Government funding. These are accounting exercises and as such do not replace the identified central government funds from 2013/14 and 2014/15 which have not been included in the RSG.

Option 2 (a) allows the DWP to create a notional figure from the RSG that would be the equivalent figure for a 2015/16 award if the DWP had actually included such a sum in its calculations.

Option 2 (b) repeats this exercise but replaces a notional figure with the 2014/15 figure.

Option 3 – Top-slice Revenue Support Grant to fund a section 31 grant

- **Option 3 (a) in line with the Settlement Funding Assessment for 2015-16 proposed in the summer technical consultation.**
- **Option 3 (b) in line with the allocation of local welfare provision in 2014-15.**

We do not support Option 3. This option sees no additional funding for local welfare provision and places the full cost of any scheme on local government at a time when councils are facing significant cuts in Government funding. It is similar to Options 2 (a) and 2 (b) in that there is no additional identifiable central government funding available to continue with the local welfare provision schemes. This option is the worst of all worlds in that it provides no additional funding, commits councils to spending specified amounts on local welfare provision and in doing so removes substantial elements of local decision-making, local choice and local accountability. It would almost certainly require significant cuts to other frontline services in order to meet the challenge of putting in place a local welfare scheme and delivering a balanced budget from a much reduced Revenue Support Grant. This, in turn, could lead to additional, unsustainable demand on the local welfare scheme.

Any of options 1, 2 or 3 would make it difficult for Leeds to provide a meaningful scheme of local welfare support.

Option 4 – Other options for delivering and funding local welfare provision

Many councils have risen to the challenge of putting in place local welfare schemes that meet local need and deliver improved value for money for central Government. Local schemes are more robust, better targeted and less open to abuse than the previous scheme. They are also relatively new and it is expected that over time demand will increase as schemes become more familiar. There is also concern about the impact of further welfare reforms. The ‘waiting days’ period for JSA and ESA has been extended to 7 days and Government has recently consulted on extending the ‘waiting days’ period into Universal Credit. The roll out of Universal Credit, which happens during 15/16, is likely to cause additional hardship with claimants required to wait 5 or 6 weeks before receiving their first payment. All of these issues are likely to create additional demand on local welfare schemes.

Leeds’s preferred option is for additional funding to be provided at the same rate as in 13/14 and 14/15. This standstill level of funding would recognise the pressures that may lead to increased demand as well as the efficiencies already delivered by local councils. It would also continue to support the work that has been started on increasing community resilience and community-based solutions aimed at improving financial inclusion. It remains important to not only meet the immediate need presented by a resident but also to provide advice and support to help limit further need for emergency support.

Alternatives which allow for additional funding but at a reduced level, would deliver a local welfare scheme which addressed immediate need but they would impact on the council’s ability to support community-based initiatives to increase resilience. This approach, while addressing short-term need, would be less effective at reducing longer-term demand.

Government funding for Leeds over the two year period for a local welfare scheme was £2.8m per annum. Around £2.3m was made in direct awards to those vulnerable people most in need and the remainder was used to increase personal support to help create more resilient communities.

Area of Spend	Value
Food and Fuel	£260k
White goods (Electrical)	£725k
Brown goods (beds/furniture etc.)	£118k
Carpets/flooring	£270k
Removals	£ 15k
Discretionary Housing Payments	£250k
Council Tax Hardship	£250k
Additional s17 funding	£500k
Totals	£2.388m

Our requirements under Option 4 are:

- Additional funding from Central Government;
- Funding should recognise that new schemes take time to develop and become known so allow for some growth;
- Against this, Local Authorities have brought rigour and challenge to the process and this has reduced direct spend;

- It is important to continue to tackle the causes of poverty and deprivation;
- Funding should be based on current levels;
- Alternatively, reduced funding levels would allow for reduced schemes to be put in place which in the first instance would see wider initiatives withdrawn.

Questions on funding options

QUESTION 1 – Do you have a preference for options 1, 2a, 2b, 3a, 3b or 4? Please explain how you have come to this view.

Our preference is for Option 4. This should be additional funding to what has been suggested and should be a continuation of the funding from April 2013 to March 2015.

QUESTION 2 – If you have provided representations on option 4, how else would you propose delivering and funding local welfare provision? What evidence can you provide to support this?

We have attached our response to the DWP LA Local Welfare Provision Questionnaire: 2014/15. This gives details of our scheme for 13/14 and 14/15 and is, in effect, the scheme that we would wish to continue to deliver in 15/16. However, unless additional funding is provided we will not be able to deliver this scheme in 15/16.

QUESTION 3 – What is the likely impact (and extent of any impact) on groups that display protected characteristics of the four options discussed?

Under options 1 – 3 we would struggle to provide a scheme of local welfare assistance in Leeds and as the scheme is primarily aimed at vulnerable people the options would have a negative impact on groups that display protected characteristics. These beneficiaries include families under exceptional pressures, families with disabled children, adults with mental health needs, adults with learning disabilities and lone parents who are pregnant. These options would also limit the ability of the schemes to identify, give access to and give support to, those difficult to reach groups.

Option 4 would enable us to continue to give protection to these groups and enable a local welfare support scheme to continue to support vulnerable residents and improve access to services. However, the extent of this support would be dependent on the amount of available additional funding.

QUESTION 4 – Do you agree that some impacts can only be assessed locally depending on the decisions made by individual authorities?

We agree that some impacts can only be assessed by individual local authorities but there needs to be consistency between local authorities in monitoring and analysing local welfare provision service delivery. Therefore if the government is to continue to fund local welfare provision it needs to ensure that it is being delivered effectively. A common standard for monitoring and analysis needs to be applied which will also allow for local conditions that apply to a local authority to be recognised as a legitimate need for receipt of support from local welfare provision.

QUESTION 5 – If your preference is for option 4 and you have proposed an alternative way of delivering and funding local welfare provision, please outline how this will adhere to the public sector equalities duty.

The application form for the scheme in Leeds requests details of age, disability, ethnic origin, gender, nationality, religion and sexual orientation. Any proposed new scheme will continue to identify these groups in order to target the scheme at them and their needs. The scheme will be limited to such vulnerable residents. We recognize that these residents have a greater difficulty than non-vulnerable residents in accessing services without support from third parties. Therefore the scheme will be targeted at these residents and we would continue to work through third parties in order to make the scheme more accessible to them.

Although non-vulnerable residents may also want to access the scheme they would not suffer the same degree of disadvantage if they did not receive support. Non-vulnerable residents will be able to continue to access the general availability of local welfare assistance that is provided across Leeds by charities and other voluntary sector agencies.

QUESTION 6 – Do you agree that this is the right timetable?

There is now considerable uncertainty regarding the future of local welfare schemes and a decision on funding in December leaves little time to develop alternative schemes if there is no additional funding or significantly reduced funding. If funding were to be maintained at a significant level it would be reasonably straightforward to continue with the current successful scheme. It is important, however, that there is a longer term commitment to funding to allow for the ongoing development of schemes that deliver real support.

Conclusion:

The consultation document assumes that local welfare provision budgets have been identified and included in the overall RSG for 2015/16. We have seen no evidence of this; it is clear that the budget for local welfare provision has been cut. Leeds and other upper tier local authorities have been left with the responsibility for funding their local welfare provision schemes without the financial means to do so.

The Government's decision to transfer funding to local welfare provision was a challenge but a challenge that was accepted by Leeds City Council. This led to the creation of a local welfare provision scheme that met immediate need and was part of a programme of improving access to services. The scheme itself has been monitored and subject to review from April 2013 to date. It is still evolving and it would take time for it to become fully embedded and accessible to all the vulnerable groups across Leeds who need its support.

The government intends to consider the responses to the consultation alongside the findings of the on-going Department for Work and Pensions' review into existing local welfare provision and will make a decision on funding for 2015-16 in time for the provisional local government finance settlement in December 2014. The lateness of the consultation and the uncertainty this creates means that there is no guarantee that councils will put alternative schemes in place in 2015/16.

Providing additional funding at the current levels for 2015/16 would allow the current schemes to continue and would provide further opportunity to put in place a mechanism for future funding that better reflected local schemes costs and maintained this important safety net for vulnerable adults and families.